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The Rt Hon Margaret Thatcher MP
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Dew Prime Minister

15 January 1980

On 23 October 1978, Mr Callaghan invited us to undertake a review of Parliamentary pay and allowances. Since then, you have invited us to consider also the question of a support allowance for Ministers and office holders in the House of Lords and to look further at the possibility of relating the salary of a Member of Parliament to one or more analogues in the professional field. For convenience, I enclose a copy of our complete terms of reference.

We did, as you know, decide to tackle our task in two stages and to concentrate in our first report on the four aspects that we considered to be the most urgent. These were the salary of MPs, the salaries of Ministers, the Peers' expenses allowance, and an interim recommendation on the maximum of the Members' secretarial allowance. These were covered in Report No 12 which I sent to you on 11 June 1979.

I am now able to let you have the second and final report, Report No 13, arising out of the present review. The report explains the reasons that have led to our recommendations. But may I say that, if you would find it helpful, one or two of my colleagues and I would be very willing to come and explain the thinking behind them. I have in mind in particular our conclusions on the issue of a possible link between the salary of MPs and the salary of one or more analogues in the professional field, to which we have given a good deal of thought in the light of your letter of 30 July 1979.

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BOYLE OF HANDSWORTH, CHAIRMAN REVIEW BODY ON TOP SALARIES

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